File No. 491(21)

19 31.

Collection No.

(7)

A. Mysore Residency

Bangalore.

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16/11/46

Pros. Serial Nos. 1-18

Subject.

Assessment of income of Regimental Institutes.

Previous References.	Later References.
	F. No. 108 of 1935

S. 97.—(Blue).

MFP—168S&P—(M-184)—11-8-34—60,000.

paras 1 & 9
11.5.15
Of Mrs Dunlop

NOTES AND PRECIS.

S.N.7
P.U.C.1

S.N.8
" II.

Letter No.3407/12/A dated the 2nd May 1933, from Headquarters, Madras District, Bangalore.

Letter No.4949/16/A.2. dated the 27th April 1933, from Headquarters, Deccan District, Bolarum.

Please see S.Ns. 5 & 6 and p.u.cs.

It would appear from the letters now received that the funds of Regimental Institutes are derived solely from rebates paid by contractors who supply articles required by troops outside those supplied by Government. The funds of the Institutes are applied to objects which collectively benefit the soldier such as sports, etc., or for grants-in-aid of messing and institutions established for soldiers and their families.

There do not appear to be any orders exempting funds of this nature from liability to income-tax. Nor is there any reference to them either in the Income-tax Act or in the chapter relating to income-tax in the Financial Regulations for the Army in India referred to in para 2 of S.N.1/a. Under clause (4) of para 17 of the Income-tax Manual, compulsory subscriptions to a Regimental Mess or wine or band fund are exempt from tax, but the income of a Regimental Institute has not been so exempted. In the absence of any express provision for exemption, it should be assumed that the income is liable to be taxed, but, as the question is not a local one, and as the Military authorities wish the matter to be referred to the Government of India, we may, if approved, ask the Central Board of Revenue for a ruling on the point.

A draft to the Board is submitted for approval.

(From para 11)

Para 3 (page 2) of S.N.2/a.

CORRESPONDENCE.

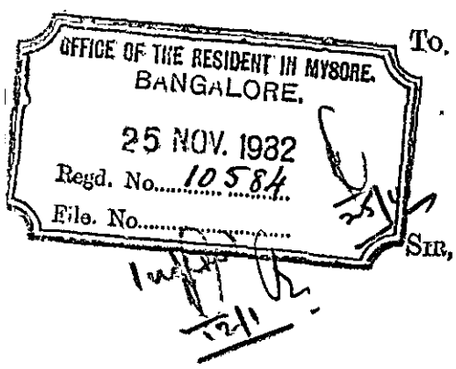
Telephone No. 3488.
Telegraphic address—"INTAX".

Office of the
Commissioner of Income-tax,
Old High Court Buildings, Madras.

No. 867/32. *Dated* the 22nd Novr., *1932*.

FROM

F. H. SENNECK ESQ., I.C.S.,
COMMISSIONER OF INCOME-TAX, MADRAS,



To,

The Commissioner of Incometax,
Civil & Military Station, Bangalore.

SIR,

Assessment - Incometax - Regimental Fund -
Letter from the Commander, Madras District,
Bangalore No. 3407/8/A dated 19th November, 1932.

I have the honour to forward the above mentioned letter with its enclosures for favour of disposal.

I have the honour to be,

S i r,

Your most obedient servant,

K Govindan Nair
23.11.32
For Commissioner.

WR. 23. 11. 32.

COMMISSIONER OF INCOME-TAX
21. NOV. 1932
C 867
32
MADRAS.

No. 3407 / 8 / A. 1/a

Headquarters Madras District,

Bangalore 19th November, 1932.

To:-

The Commissioner for Income-Tax,

MADRAS.

Subject:- ASSESSMENT OF INCOME-TAX ON REGIMENTAL FUND.

Sir,

I have the honour to forward the marginally noted correspondence regarding assessment of income-tax on Regimental Funds and to request that you will please furnish me with a ruling on the point raised.

1. No.82/2, dated 11-10-1932 and enclosure thereto from the Officer Commanding, 6th Armoured Car Company, R.T.C.

2. No.4431/468/1, dated 11th October 1932, from the Commandant, Q.V.O. Madras Sappers & Miners.

2. The orders bearing on the subject are contained in Chapter X Appendix II Financial Regulations (India) Part II, but it is observed that Regimental Funds are not mentioned therein either under the heading of items chargeable to tax or under that of exemptions therefrom.

3. Return of enclosures is requested.

I have the honour to be,

Sir,

Your obedient servant,

for MAJOR-GENERAL,

COMMANDER, MADRAS DISTRICT.

Enclosures:- 4

A.L.H.

A 16/12

2

No.X.N.Dis/1932.

Office of the Commissioner of Incometax,
Madras: Dated the 14th Decr., 1932.

From

F. H. SENNECK ESQ., I.C.S.,
Commissioner of Incometax, Madras.

To

The Commissioner of Incometax,
Civil & Military Station, Bangalore.

Sir,

Assessment - Incometax - 1932-33 - Income from Regimental Institute, 1st Battalion - The Queen's Own Royal West Kent Regiment - Letter from the Commander, Deccan District, Bolarum, No.4949/5/A.2 dated 9th December 1932.

I have the honour to forward the above mentioned letter with its enclosures for favour of disposal.

I have the honour to be,
S i r,
Your most obedient servant,

H Govindan Nair

For Commissioner. 15/12/

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE.
16 DEC. 1932
Regd. No. 11,271
File. No.

16/12

12/1

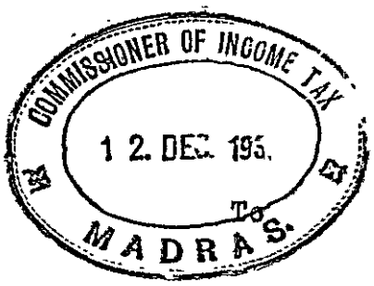
wn.14.12.32.

Subject:- Income Tax - Regimental Institutes.

2/a

No.4949/5/A.2.

Headquarters, Deccan District,
Bolarum, 9th December, 1932.



The Commissioner of Income Tax,
MADRAS.

Subject:- Income Tax assessment - 1932-33 -
Income from Regimental Institute, 1st Bn.
The Queen's Own Royal West Kent Regiment.

Sir,

I have the honour to forward herewith the marginally noted correspondence which passed between the Officer Commanding, 1st Bn. The Queen's Own Royal West Kent Regiment, Bangalore and the Income tax Officer, C.&.M. Station, Bangalore, on the subject of assessment of income tax on the income derived from rebate by the Regimental Institute belonging to that unit, for your perusal and return.

*	
1.	No.O.R. dated 2.9.32 from O.C., 1st Bn. The Queen's Own Royal West Kent Regiment, to the Income Tax Officer, Bangalore.
2.	No.N.C.539 dated 2.9.32 from the Income Tax Officer, Bangalore to the O.C. 1st Bn. The Queen's Own R.W.K.Regiment.
3.	Reply to (2) from the O.C.
4.	No.N.C. dated 24.10.1932 from the Income Tax Officer, Bangalore to the O.C. 1st Bn. The Queen's Own R.W.K.Regiment.
5.	No.141/O.R./8. dated 2.11.1932 from the O.C., to the Income Tax Officer, Bangalore.
6.	No.N.C.539 dated 8.11.1932 from the Income Tax Officer, Bangalore to the O.C.

2. The troops garrisoned in a station under orders of the Government of India do not form "an association of individuals" for any purpose.

Regimental Institutes are established under the orders of the Government of India and these institutes exist in all stations in which troops are garrisoned in India.

No 630
Encl. 12

24th Jan. 1933.

From

Secretary to the Resident
& Commissioner of Income-tax.

To

The Collector and Assistant
Commissioner of Income-tax,
C. & M. Station, B'lore.

Assessment of income of Regimental Institutes.

S. Nos. 1 & 2 and

* 1. Letter No.867/32 dated the 22nd November, 1932, from the Commr. of Income-tax, Madras.
2. Letter No.X.N.Dis/32 dated the 14th December, 1932, from -do-.

Copies of the marginally noted* letters, with enclosures, are forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, Bangalore, for favour of remarks.

(Forwarded)
SECRETARY TO THE RESIDENT &
COMMISSIONER OF INCOME-TAX.

12-1-33

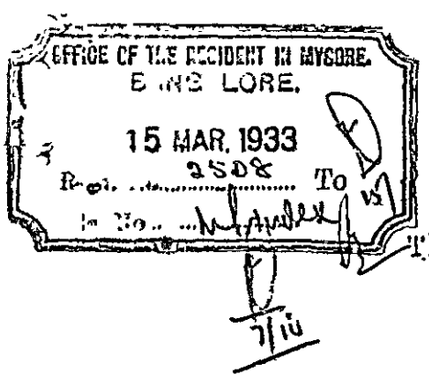
No. M/69 U/1413

4

Office of the
Collector and Assistant Commissioner of Income-tax,
Civil and Military Station, Bangalore,

Dated the 13th March 1933

FROM
G. H. Cooke, Esq., I.C.S.
COLLECTOR AND ASST. COMMR. OF INCOME-TAX,
CIVIL AND MILITARY STATION,
Bangalore.



The Secretary to the Resident in Mysore &
Commissioner of Income-tax, C & M. Station,
BANGALORE.

Subject.—

S.W. 3

SIR,

With reference to your memo No.630, dated 24th January 1933, I have the honour to offer the following remarks:

The funds of the Regimental Institute are not Government Funds, nor are they funds of a local authority as defined in section 4(3) of the Act. The funds appear to be chiefly invested in Government Securities. Income is also received from rebates received from Military contractors and workshop receipts etc. Whether these funds are exempt from income-tax or not will depend on the nature of the income and the object of the fund. Eg., A Religious Charity Fund will be totally exempt, whereas a workshop fund will be wholly taxable. Again income derived from subscriptions of the members of the institutes will not be taxable.

Returns of income were therefore called for, in order to determine whether, and if so to what extent, the income of these institutes was taxable. As far as I know there are no orders exempting the income of these institutes from taxation.

I enclose copies of D.O. correspondence which passed between Major M. M. Jeakes and me, which have a bearing on the question under discussion.

I have the honour to be,

Sir,

Your most obedient servant,

18.8.33

TPR. ASST COMMR. OF INCOME-TAX.

Encls.2:

mor 13/33

4/a

Copy of D. O. dated 29th November 1932, from the Superintendent of Park, Q.V.O.Madras Sappers and Miners, Bangalore, to the Collector, Civil & Military Station, Bangalore.

Many thanks for your D.O. of 14th November 1932.

The various funds are as follows, in round figures. The actual balances of course vary from month to month.

Adjutant Charity Fund	2,66,000
Provident Fund	22,600
Commandants Charity fund	7,500
Corps Fund	30,600
Pensioners' Re-union Fund	2,500
Officers' Mess Fund	13,300
Religious Charity Funds	6,600
Workshop Fund	25,300
Polo Fund	11,600
Unit Funds	76,300
	4,64,800.

Adjutant Charity Fund. To this the men subscribe monthly. When they go to pension they draw out their subscriptions plus interest The relatives of men who die or are killed while serving receive double payment.

Provident Fund. Subscribed to by British warrant and N.C.Os. The Fund is for relief of families of British Warrant and N.C.Os who die ar are killed while serving in the corps.

Commandant Charity Fund. Subscribed to by British Officers and Indian Ranks. A purely charitable fund which supports ex-soldiers of the corps and their families in distress,

Corps Fund. Gradually built up. Income derived from canteen profits and profits on workshops, and occassional gifts from retired officers of the corps.

Pensioners Re-Union Fund. A fund run to cover expenses of pensioners reunions. Income from Corps subscriptions (and an annual grant from A.H.Q.)

Officers' Mess Fund. No Explanation necessary.

Religious charity Funds. Subscribed to by men themselves, and used for upkeep of temples, mosque, church etc., and various religious festivals.

Workshop fund. Income derived from profit on running of corps workshops.

Polo Fund. Subscribed to by all British Officers.

Unit Funds. These consist of the funds of units as under:-

32 Field Troop	14 Field Company
33 -do-	15 -do-
9 Field Coy.	16 A. T.
10 -do-	44 D. H. Q.
11 A. T.	"C" Company
12 Field Coy.	D/1 Company
13 -do-	D/2 -do-

The funds of each unit consist largely of men's accumulated clothing money. Each man has to keep a balance of Rs.30/- Included also is the Units games fund and Unit Fund to which all ranks subscribe.

W.O. 171/33

Copy of D. O. dated 16th December 1932, from the Collector C7 & M. Station, Bangalore to Major M.M.Jeakes, Q.V.O.Madras Sappers & Miners, Bangalore.

Your D. O. dated 29th November 1932.

The funds mentioned in your D.O. fall into three classes:-.

1. Those the income of which is totally exempt from tax.

2. Those the income of which is exempt in respect of subcriptions and income received from the members, but not that from outside such as income received from investments in securities, or fixed deposits or from property.

3. Those the income of which is wholly taxable.

In the case of classes 2 & 3, if the tax paid on securities is more than the tax due on income the funds may have, the excess will be refunded, while in the case of 1, the whole tax collected on securities will be refunded.

Religious Charity Fund comes under the Head 1, while the corps fund and workshop fund come under the head 2. The rest of the funds mentioned in your.D.O. belong to head 3.

Returns of income showing the income of each fund together with the certificate under Section 18(9) of the Act, showing the interest paid and the tax deducted, obtained from the person paying the interest on the securities, have to be sent to the Income-tax Officer, Civil & Military Station for taking necessary action.

---------@----------

All Communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

5

No. 3111
Fin. Rel.

FROM Captain G. Kirkbride, I.A.,

SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.
& Commissioner of Income-tax.

To

Headquarters,
Madras District, Bangalore.

Dated, Bangalore, the 22nd April *193* 3.

Subject.

ASSESSMENT OF INCOME OF REGIMENTAL INSTITUTES.

SIR,

S.N.1/a ...

I have the honour to refer to your letter No. 3407/8/A, dated the 19th November, 1932, on the above subject, passed on to me for disposal by the Commissioner of Income-tax, Madras, and to request you to be so good as to let me have detailed information as to how the funds of the Regimental Institutes belonging to the 6th Armoured Car Company, R.T.C. and the Queen Victoria's Own Madras Sappers and Miners, Bangalore, are derived and how they are expended. Without this information I am unable to say whether they are all or in part liable to income-tax or not.

I have the honour to be,

Sir,

Your most obedient servant,

o/c.

for SECRETARY TO THE RESIDENT.,
&
COMMISSIONER OF INCOME-TAX.

BJ

21.4.33.

All Communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

No. 3112

6

From

Captain G. Kirkbride, I.A.,

SECRETARY to the HON'BLE THE RESIDENT in MYSORE.
and Commissioner of Income-tax.

To

Headquarters,

Deccan District, Bolarum.

Dated, Bangalore, the 22nd April *1933*.

Subject.

Assessment of income of Regimental Institutes.

Sir,

S.N.2/a2. I have the honour to refer to your letter No.4949/5/A.2, dated the 9th December, 1932, on the above subject, passed on to me for disposal by the Commissioner of Income-tax, Madras, and to request you to be so good as to let me have detailed information as to how the funds of the Regimental Institute belonging to the 1st Bn. The Queen's Own Royal West Kent Regiment, Trimulgherry, are derived and how they are expended. Without this information I am unable to say whether they are all or in part liable to income-tax or not.

I have the honour to be,
Sir,
Your most obedient servant,.

o/c

for SECRETARY TO THE RESIDENT
&
COMMISSIONER OF INCOME-TAX.

21.4.33.

BJ

No. 3407 / 12 / A.

Headquarters Madras District.

BANGALORE. 2 May 1933.

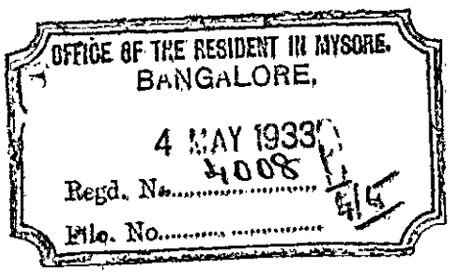
To:-

The Secretary to the Hon'ble The Resident in Mysore,

and

Commissioner of Income-Tax,

B A N G A L O R E.



SUBJECT :- INCOME-TAX.

Sir,

I have the honour to refer to your No.3111, dated 22nd April 1933, and to give the following information.

(a) INCOME - REGIMENTAL INSTITUTES.

A contractor is appointed in each Unit to supply all commodities required by the troops outside those supplied by Government. Such contractors are given a monopoly within the Unit and from the income they derive they are required to pay a rebate at so much per man borne on the actual strength of the Unit. The amount thus obtained is credited to a separate Regimental Fund.

(b) OBJECT OF FUND AND HOW EXPENDED.

(i) To any object which collectively benefits the soldier, such as sports, entertainments, recreation rooms or grounds, stationery, newspapers etc.

(ii) For grants in aid of messing and institutions established for the benefit of soldiers or their families whilst serving in or leaving the army.

Sheet No.2/-

I would add that Regimental Funds of this sort are built up solely by the men and are used solely for the benefit of the men, who would suffer from the imposition of income-tax.

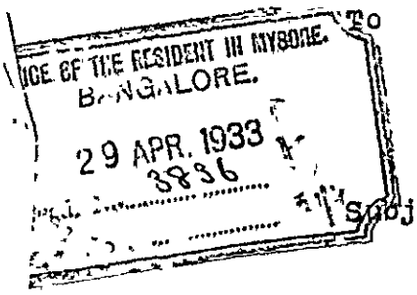
I have the honour to be,
Sir,
Your obedient servant,

for MAJOR-GENERAL,
COMMANDER, MADRAS DISTRICT.

A.L.H.

Income Tax.

No.4949/16/A.2.
Headquarters, Deccan District,
Bolarum, 27 April 1933.



To

The Secretary to the Hon'ble. the Resident
in Mysore
and Commissioner of Income Tax,
BANGALORE.

Subject:- ASSESSMENT OF INCOME TAX ON THE INCOME DERIVED BY THE REGIMENTAL INSTITUTE OF 1ST BN. THE Q.O.R.W.K. REGIMENT, FROM CONTRACTORS ETC.

Sir,

(1) I have the honour to refer to your letter No.3112 dated 22nd April 1933, and forward the following extract from the "RULES FOR THE MANAGEMENT OF STATION & REGIMENTAL INSTITUTES" published by Army Headquarters, India, under the orders of the Government of India:-

" I - General Rules.

1. A Regimental Institute on the contractor system will be established in every unit to supply the troops with articles of good quality at reasonable prices, including necessary requirements and to provide means for recreation and amusement.

It is the duty of every C.O. to encourage and develop the Regimental Institutes by every means in his power, and to see that the comfort and entertainment of the troops is well provided for.

x x x x x

26. The rebate recoverable from contractors will be paid monthly into an account termed, "The P. R. I. Account" and will be administered for the Commanding Officer by the President of the Institute Committee.

27. The rebate received by C.Os. may be applied by them -

(a) to any object which collectively benefits the soldier such as sports, entertainments, recreation rooms or grounds, stationery, newspapers, etc.,

(b) for grants-in-aid of messing and institutions established for the benefit of soldiers or their families whilst serving in or on leaving the Army. "

(2) The rebate paid by the contractor is a fixed amount per mensem calculated on the average messing strength of the unit and is given in lieu of a discount on actual purchases made by the Troops. The rebate or discount is not given to each individual soldier, but is "pooled" and used for the collective benefit of the troops.

page 2

(3) It is in point of fact a Fund to which all soldiers in a Unit subscribe, by the system of the rebate or discount due to them from the Contractor being credited to it, and this fund is expended as described in para 27 of the extract given in para 1 above.

I have the honour to be,

Sir,

Your obedient servant,

for Major-General,
Commander, Deccan District.

PAN.

No 5625 Encls. 2

9

From

Major G. Kirkbride, I.A.,

Secretary to the Hon'ble the Resident in Mysore

and Commissioner of Income-tax,

Civil and Military Station, Bangalore.

To

The Secretary,

Central Board of Revenue, S i m l a.

Dated, Bangalore, the 4th August 1933.

Subject:- Assessment of income of Regimental Institutes.

Sir,

I have the honour to state that the Income-tax Officer of the Station called for returns of income of the Regimental Institutes belonging to the units noted on the margin* in order to determine whether, and, if so, to what extent, the income of these Institutes was liable to income-tax. The question was referred to me for a ruling by the Military authorities who stated that, as far as they knew, it was the first time in the whole of India, that the income of a Regimental Institute was sought to be taxed. I called for detailed information from Headquarters, Madras District, Bangalore, and Headquarters, Deccan District, Bolarum, as to how the funds of the Regimental Institutes concerned were derived and how they were expended. I enclose copies of their replies.

* 1. The 6th Armoured Car Company, R.T.C.
2. The Queen Victoria's Own Madras Sappers and Miners, Bangalore.
3. The 1st Battalion The Queen's Own Royal West Kent Regiment, Trimulgherry.

Vide A on page 2 of S.N.2/a.

S.Ns.5 & 6.

S.N.7 & 8.

2. The funds of Regimental Institutes are not Government Funds, nor do they appear to fall under any of the clauses of Sec.4(3) of the Income-tax Act. I am not aware of any orders exempting the income of these Institutes from taxation, but,

as the

as the question is not a local one but affects Institutes established all over India, I request that the matter may be placed before the Central Board of Revenue for their orders.

I have the honour to be,

Sir,

Your most obedient servant,

Major,
SECRETARY TO THE RESIDENT
AND
COMMISSIONER OF INCOME-TAX.

PKH

D.Dis.No.656-I.T./33.

CENTRAL BOARD OF REVENUE.

Simla, the 15th August 1933.

OFFICE OF THE RESIDENT IN MYSORE.
BANGALORE.
19 AUG. 1933
R. 7229

From

Rai Bahadur Pandit Ram Nath, B.A.,
Secretary, Central Board of Revenue,

To

The Secretary to the Hon'ble the Resident in Mysore
and the Commissioner of Income-tax, Civil and
Military Station, Bangalore.

Sir,

Liability to tax - Regimental Funds -.
Your letter No.5625, dated 4th August 1933.

In reply to your letter quoted above, I am directed to say that as the income of the regimental institutes in question is intended only to benefit the members of the regiment and their dependents and is not for any object of general public utility within the meaning of section 4(3)(i) of the Income-tax Act, 1922, it is liable to tax as the income of an association of individuals.

I have the honour to be,

Sir,

Your most obedient servant,

15-8-33.

Secretary, Central Board of Revenue.

BRS.15/8.

No. 9117 En 4/5.

11th September 1933.

From

Secretary to the Resident
& Commissioner of Income-tax.

To

Headquarters, Madras Dt., B'glore

Headquarters, Deccan Dt., Bolarum

LIABILITY TO TAX - REGIMENTAL FUNDS.

Sir,

With reference to the correspondence ending with your letter No.3407/12/A

No.4949/16/A.2

dated the 2nd May 1933 / the 27th April 1933, on the subject mentioned above, I have the honour to say that the matter was referred to the Central Board of Revenue for their views and they are of opinion that, as the income of the Regimental Institutes in question is intended only to benefit the members of the regiment and their dependents and is not for any object of general public utility within the meaning of section 4(3)(i) of the Income-tax Act, 1922, it is liable to tax as the income of an association of individuals.

S.N.7.
S.N.8

2. The enclosures to your letter No.

S.N.1/a
S.N.2/a.

No.3407/8/A dated the 19th November 1932
No.4949/5/A.2., dated the 9th Decr., 1932 are returned.

I have etc.,

SECRETARY TO THE RESIDENT
&
COMMISSIONER OF INCOME-TAX.

Copy forwarded to the Collector and Assistant Commissioner of Income-tax, Civil and Military Station, with reference to his letter No.M/69 dated 13th March 1933.

S.N.4.

No. I.T.Gl.125

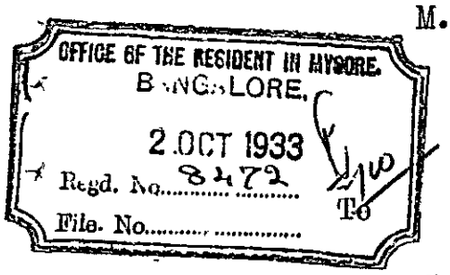
13

Office of the Income-tax Officer,
Civil and Military Station, Bangalore.

Dated 25th September *1933*.

FROM

M.R.Ry., Rao Sahib S. Kuppuswami Naidu Garu, B.A.,
INCOME-TAX OFFICER, CIVIL AND MILITARY STATION,
BANGALORE.



The Commissioner of Income-tax,
Civil and Military Station, Bangalore.

Thro'
The Assistant Commissioner of Income-tax,

SIR,

Liability to tax - Regimental funds - Your letter No.9117, dated 11th September 1933 to the Headquarters, Madras District, Bangalore etc., copy forwarded to me.

The Superintendent of Park, Q.V.O.Madras Sappers and Miners, Bangalore has applied to me for refund of tax on securities as per statement enclosed herein for reference and return. The funds of the various units mentioned in the list are invested in the name of the Superintendent of Park who manages the affairs of the funds. I am not sure whether the income of the various funds should be taken together as of an association of individuals and assessed together or whether the income of each unit should be separately assessed.

I request the favour of early instructions.

I have the honour to be,
Sir,
Your most obedient servant,

Income-tax Officer.

RSS.

Forwarded.

30.9.33

ASST.COMMISSIONER OF INCOME-TAX.

14

DEPARTMENT. File No.

BRANCH. Serial No.

Draft Letter / Memorandum / Telegram

Class for telegrams — Ordinary / Express / Urgent* / Priority / Clear Line† — *Only for Foreign Telegrams. †Not for Foreign Telegrams.

No. 10971 Dated 29-11-1933 19

Rec'd

To be issued on | Issued on

1st Reminder

2nd Reminder

3rd Reminder

Heading :

Case or Diary No. S.N.10

If post copy of telegram required

Date of despatch of above

List of enclosures

(Code word for telegrams.)

To

The Secretary,
Central Board of Revenue.

Liability to tax - Regimental funds - Board's letter D.Dis. No.656-I.T./33 dated the 15th August 1933.

Sir,

I have the honour to state that the Superintendent of Park, Q.V.O.Madras Sappers and Miners, Bangalore, has applied to the Income-tax Officer, C. & M. Station, Bangalore, for refund of tax on securities as per statement enclosed. The funds of the various units mentioned in the statement are invested in the name of the Superintendent of Park who manages the affairs of the funds. I am not sure whether the income of the various funds should be taken together as of an association of individuals and assessed together or whether the income of each unit should be separately assessed. I therefore request the Board's instructions in the matter.

I have etc.,

for SECRETARY TO THE RESIDENT &
COMMISSIONER OF I.T.

S. S. — 28/11/33
S.GLPC—81—[illegible]—DGP—(M 760)—27.4.32—60 000 Pads.

17

D.Dis.No.993-I.T./33.

CENTRAL BOARD OF REVENUE.

New Delhi, the 6th January 1934.

From

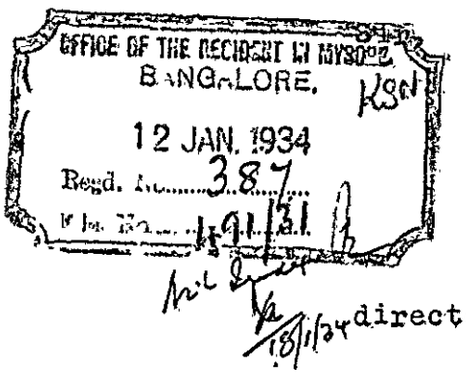
Rai Bahadur Pandit Ram Nath, B.A.,

Secretary, Central Board of Revenue,

To

The Secretary to the Hon'ble the Resident in Mysore and Commissioner of Income-tax,

BANGALORE.



S.N.14

Liability to tax - Regimental funds - Your letter No.10971-Enc.1, dated the 29th November 1933.

In reply to your letter quoted above, I am directed to say that the income of each unit should be assessed separately for purposes of income-tax. It is true that the funds of the various units are invested in the name of the Superintendent of Park, Q.V.O., Madras Sappers and Miners, Bangalore, but as the funds of each unit are separate, it will not be equitable to assess the income of all the funds together.

I have the honour to be,

Sir,

Your most obedient servant,

Ram Nath

8-1-34

Secretary, Central Board of Revenue.

P.S.8/1.

Draft.

No. 919 ~~No.~~ 5/ 31-1-1934.

From

The Secretary to the Resident.

To

The Income-tax Officer,
Civil & Military Station, Bangalore.
and A.C. of I.T.

Thro: The Collector, C & M.Station, -do-

Reference:- Correspondence ending with memorandum No.5, dated the 1st January 1934, from this office.

S.N.16

Subject.

Liability to tax - Regimental Funds.

The Central Board of Revenue have decided that the income of each unit should be assessed separately for purposes of Income-tax. Although the funds of the various units are invested in the name of the Superintendent of Park, A.V.O. Madras Sappers and Miners, Bangalore, the Board consider that as the funds of each unit are separate, it will not be equitable to assess the income of all the funds together.

2. The enclosure to your letter No. I.T. 91.125 d/25.9.33, is returned.

for SECRETARY TO THE RESIDENT.

S.N.13 cancelled

Typed. 23 2-34

18-2-34